

	U.S. ENVIRONMENTAL PROTECTION AGENCY Cooperative Agreement		GRANT NUMBER (FAIN): 96382701	DATE OF AWARD 10/14/2020	
			MODIFICATION NUMBER: 0 PROGRAM CODE: TA		
			TYPE OF ACTION New		MAILING DATE 10/16/2020
			PAYMENT METHOD: ASAP		ACH# 30315
RECIPIENT TYPE: County			Send Payment Request to: N/A		
RECIPIENT: Allegheny County of 436 Grant Street Suite 104 Pittsburgh, PA 15219-2403 EIN: 25-6001017			PAYEE: Allegheny County of 436 Grant Street Suite 104 Pittsburgh, PA 15219-2403		
PROJECT MANAGER Ms. Jayme Graham 436 Grant Street Suite 104 Pittsburgh, PA 15219-2403 E-Mail: Jayme.Graham@alleghenycounty.us Phone: 412-578-8129		EPA PROJECT OFFICER Paula Krall 1650 Arch Street, 3AD20 Philadelphia, PA 19103-2029 E-Mail: Krall.Paula@epa.gov Phone: 215-814-2067	EPA GRANT SPECIALIST Donna Armstrong Grants and Audit Management Branch, 3MD70 E-Mail: Armstrong.Donna@epa.gov Phone: 215-814-5393		
PROJECT TITLE AND DESCRIPTION ALLEGHENY COUNTY TAG APPLICATION OF TRANSPORTATION RELATED EMISSION REDUCTION The project will assist the Port Authority of Allegheny County to move from diesel to electric transit buses by funding the differential in cost between the two types of motive power for seven buses and adding one electric charging station. This project involves replacing seven 60-foot diesel transit buses with seven zero tailpipe emission battery electric 60-foot buses for operation in Pittsburgh's Downtown – Uptown – Oakland – East End Bus Rapid Transit (BRT) corridor in the City of Pittsburgh and Wilkesburg Borough, both of which are located in Allegheny County.					
BUDGET PERIOD 10/01/2020 - 09/30/2025	PROJECT PERIOD 10/01/2020 - 09/30/2025	TOTAL BUDGET PERIOD COST \$10,916,950.00	TOTAL PROJECT PERIOD COST \$10,916,950.00		
NOTICE OF AWARD					
Based on your Application dated 08/21/2020 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$5,666,950. EPA agrees to cost-share 51.91% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$5,666,950. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE			
ORGANIZATION / ADDRESS US EPA Region 3, 3MD70 1650 Arch Street Philadelphia, PA 19103-2029		ORGANIZATION / ADDRESS U.S. EPA, Region 3 Air & Radiation Division 3AD00 1650 Arch Street Philadelphia, PA 19103-2029			
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
Digital signature applied by EPA Award Official for Catharine McManus - Assistant Regional Administrator Lisa White - Award Official delegate				DATE 10/14/2020	

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FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$	\$ 5,666,950	\$ 5,666,950
EPA In-Kind Amount	\$	\$	\$ 0
Unexpended Prior Year Balance	\$	\$	\$ 0
Other Federal Funds	\$	\$	\$ 0
Recipient Contribution	\$	\$	\$ 0
State Contribution	\$	\$	\$ 0
Local Contribution	\$	\$	\$ 0
Other Contribution	\$	\$ 5,250,000	\$ 5,250,000
Allowable Project Cost	\$ 0	\$ 10,916,950	\$ 10,916,950

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.956 - Targeted Airshed Grant Program	Further Consolidated Appropriations Act 2020 (P.L. 116-94)	2 CFR 200 2 CFR 1500 and 40 CFR 33

Fiscal									
Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	2103MA0002	20	E4	03M4	000AJ9	4112	-	-	5,666,950
									5,666,950

Budget Summary Page

Table A - Object Class Category (Non-construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$12,081
2. Fringe Benefits	\$4,869
3. Travel	\$0
4. Equipment	\$0
5. Supplies	\$0
6. Contractual	\$0
7. Construction	\$0
8. Other	\$10,900,000
9. Total Direct Charges	\$10,916,950
10. Indirect Costs: % Base	\$0
11. Total (Share: Recipient <u>48.09</u> % Federal <u>51.91</u> %.)	\$10,916,950
12. Total Approved Assistance Amount	\$5,666,950
13. Program Income	\$0
14. Total EPA Amount Awarded This Action	\$5,666,950
15. Total EPA Amount Awarded To Date	\$5,666,950

Administrative Conditions

General Terms and Conditions

The recipient agrees to comply with the current EPA general terms and conditions available at: <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2020-or-later>.

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at:

<https://www.epa.gov/grants/grant-terms-and-conditions#general>.

General Terms and Conditions

A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): rtpfc-grants@epa.gov
- MBE/WBE reports (EPA Form 5700-52A): MBE/WBE reports should be **signed and emailed to R3_MBE-WBE_Reports@epa.gov as a pdf file, or, if that is not possible, mailed to Hana Jones, Small Business Program Coordinator (3RA00), U.S. EPA - Region III, 1650 Arch Street, Philadelphia, PA 19103-2029 with a courtesy copy to the EPA Grant Specialist.** The current EPA Form 5700-52A can be found at the EPA Office of Small Business Program's Home Page at http://www.epa.gov/osbp/dbe_reporting.htm
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: R3_Grant_Applications@epa.gov, Donna Armstrong, Grants Specialist, armstrong.donna@epa.gov and Paula Krall, Project Officer, krall.paula@epa.gov
- Payment requests (if applicable): rtpfc-grants@epa.gov
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: Paula Krall, Project Officer, krall.paula@epa.gov

B. Disadvantaged Business Enterprise (DBEs)

UTILIZATION OF SMALL, MINORITY AND WOMEN'S BUSINESS ENTERPRISES

GENERAL COMPLIANCE, 40 CFR, Part 33

The recipient agrees to comply with the requirements of EPA's Disadvantaged Business Enterprise (DBE) Program for procurement activities under assistance agreements, contained in 40 CFR, Part 33 except as described below based upon the associated class deviation.

EPA MBE/WBE CERTIFICATION, 40 CFR, Part 33, Subpart B

A class exception to the following provisions of Subpart B of 40 CFR Part 33 has been issued suspending the EPA MBE/WBE certification program: §33.204(a)(3) providing that an entity may apply to EPA MBE or WBE certification after unsuccessfully attempting to obtain certification as otherwise described in §33.204; and §33.205 through and including §33.211. The class exception was authorized pursuant to the authority in 2 CFR 1500.3(b).

SIX GOOD FAITH EFFORTS, 40 CFR, Part 33, Subpart C

Pursuant to 40 CFR, Section 33.301, the recipient agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to require that sub-recipients, loan recipients, and prime contractors also comply. Records documenting compliance with the six good faith efforts shall be retained:

- (a) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
- (b) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
- (c) Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
- (d) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
- (e) Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.
- (f) If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.

CONTRACT ADMINISTRATION PROVISIONS, 40 CFR, Section 33.302

The recipient agrees to comply with the contract administration provisions of 40 CFR, Section 33.302 (a)-(d) and (i).

BIDDERS LIST, 40 CFR, Section 33.501(b) and (c)

Recipients of a Continuing Environmental Program Grant or other annual reporting grant, agree to create and maintain a bidders list. Recipients of an EPA financial assistance agreement to capitalize a revolving loan fund also agree to require entities receiving identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR, Section 33.501 (b) and (c) for specific requirements and exemptions.

FAIR SHARE OBJECTIVES, 40 CFR, Part 33, Subpart D

A class exception to the entire Subpart D of 40 CFR Part 33 has been authorized pursuant to the authority in 2 CFR 1500.3(b). Notwithstanding Subpart D of 40 CFR Part 33, recipients are not required to negotiate or apply fair share objectives in procurements under assistance agreements.

MBE/WBE REPORTING- SPECIFIC CHANGES PURSUANT TO CLASS DEVIATION, 40 CFR, Part 33, Subpart E

When required, the recipient agrees to complete and submit a "MBE/WBE Utilization Under Federal Grants and Cooperative Agreements" report (EPA Form 5700-52A) on an annual basis. The current EPA Form 5700-52A can be found at the EPA Grantee Forms Page at <https://www.epa.gov/grants/epa-grantee-forms>.

Reporting is required for assistance agreements where funds are budgeted for procuring construction, equipment, services and supplies (including funds budgeted for direct procurement by the recipient or

procurement under subawards or loans in the "Other" category) with a cumulative total that exceed the threshold amount of \$250,000, including amendments and/or modifications. When reporting is required, all procurement actions are reportable, not just that portion which exceeds \$250,000.

Annual reports are due by October 30th of each year. Final reports are due by October 30th or 90 days after the end of the project period, whichever comes first.

This provision represents an approved deviation from the MBE/WBE reporting requirements as described in 40 CFR, Part 33, Section 33.502.

C. Pre-Award Costs

In accordance with 2 CFR 1500.8, the grantee may charge otherwise allowable pre-award costs (both Federal and non-Federal matching shares) incurred from **August 24, 2020** to the actual award date provided that such costs were contained in the approved application and all costs are incurred within the approved budget period.

Programmatic Conditions

A. Work Plan and Budget Revisions

The recipient is expected to carry out the tasks and activities in the approved workplan. The recipient shall consult the U.S. Environmental Protection Agency (EPA) Project Officer (PO) regarding whether a proposed budget or work plan activity revision constitutes a significant change in the scope or the objective of the project or program. The recipient may not make significant changes to the proposed activities in the EPA-approved workplan or budget without prior written approval from EPA. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination. If activities or technology compatibility issues arise that cannot be resolved, EPA may elect to terminate the cooperative agreement, and if applicable, recover ineligible expenditures from the recipient. Any significant changes to the approved workplan that would result in undermining the integrity of the award competition will not be approved.

B. Substantial Federal Involvement for Cooperative Agreements

EPA will be substantially involved in overseeing this cooperative agreement, which may include, but is not limited to programmatic oversight and monitoring, reviewing project phases, approving substantive terms included in professional services contracts (EPA will not direct or recommend that the recipient enter into a contract with a particular entity), and EPA collaboration regarding scope of work and mode of operation.

C. Quarterly Performance Reporting and Final Performance Report

C.1. Quarterly Reports – Content

The recipient must submit quarterly performance reports that address the progress made to achieve the work plan commitments. The recipient must include summary information on technical progress and expenditures, and planned activities for next quarter.

In accordance with 2 CFR §200.328, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) the reasons why established outputs/outcomes were not met; and 3) additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs. A suggested template for the quarterly reports will be provided by the PO. Additionally, the recipient agrees to inform the PO as soon as problems, delays, or adverse conditions which will materially impair the ability to meet the

outputs/outcomes specified in the assistance agreement work plan arise.

Each quarterly report must include the total number of scrapped and replaced, replaced-only, and/or repaired devices. As applicable, the recipient will include technical progress of other activities beyond scrapping, replacement, and/or repair activities, which may include heat-conserving weatherization activities, a seasoned dry firewood program, a wood shed program, education and outreach efforts, enforcement and monitoring, a residential yard waste collection program, deploying air cleaning devices, deploying infrared cameras, siting highway messaging signs, deploying air sensors, and/or deploying air monitoring system(s).

C.2. Final Report – Content

The recipient must submit the final performance report to the PO within 90-days after the project period end date or termination of the assistance agreement. A suggested template for the final report, similar to the quarterly report template, will be provided by the PO. As applicable, the total number of removed and/or scrapped devices, the total number of repaired devices, and the total number of new funded devices must be included in the final performance report. The final performance report must include the following:

- A narrative summary of the project or activity.
- Project results (outputs and outcomes) as reflected in the final, approved workplan, which must include but are not limited to the following:
 - o Final estimated air emissions benefit calculations for all the activities undertaken by the recipient. Estimated emissions benefits may include pollutants (e.g., PM_{2.5} and NO_x) that affect the nonattainment status of the area where the project is located. The final estimated emission benefit calculations must be based on the actual number and type of funded devices as included in the workplan. The recipient must include the methodologies and a detailed explanation of how these estimated values were derived, as well as any assumptions or default values used for the purposes of emissions benefit calculations.
- Required documentation, as listed in Section II.A.3. below.
- A description of how the project or activities contributed towards compliance with the State Implementation Plan and/or National Ambient Air Quality Standards.
- A discussion of the problems, successes, and lessons learned – including feedback received from project participants (e.g., program beneficiaries, members of the public, subrecipients, contractors, etc.) – for the project or activity that could help overcome structural, organizational or technical obstacles to implementing a similar project elsewhere.
- If any cost-share or leveraged funds were reported, the recipient must identify the source of funds.
- If any program income was generated, the recipient must identify the amount of program income, how it was generated, and how the program income was used, as described in the Program Income section below.
- To the extent possible, qualitative estimated health benefits achieved, which can be measured by the type of illnesses prevented, avoided health care costs, missed work/school days avoided or reduced mortality from air pollution.

C.3. Quarterly Reports – Due Dates

Quarterly reports are due according to the following schedule, or an alternative schedule with prior approval by the PO:

- Oct. 1 - Dec. 31; Reporting Period: report due January 31;
- Jan. 1 - March 31; Reporting Period: report due April 30;
- April 1 - June 30; Reporting Period: report due July 31; and
- July 1 - Sep. 30; Reporting Period: report due Oct. 31.

This quarterly reporting schedule shall be repeated for the duration of the award agreement.

C.4. Final Report – Due Date

The recipient must submit the final performance report to the PO within 90-days after the project period end date or termination of the assistance agreement.

D. Cybersecurity Grant Conditions for Recipients

D.1. Cybersecurity Grant Condition for Other Recipients, Including Intertribal Consortia

The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State or Tribal law cybersecurity requirements.

D.1.1. EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency Information Technology (IT) system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the PO no later than 90-days after the date of this award and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

D.1.2. The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in D.1.1. if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR §200.331(d), by inquiring whether the subrecipient has contacted the PO. Nothing in this condition requires the recipient to contact the PO on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

E. Delays or Favorable Developments

The recipient agrees that it will promptly notify the PO of any problems, delays, or adverse conditions which may materially impair its ability to deliver on the outputs/outcomes specified in the work plan. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation. The recipient agrees that it will also notify the PO of any favorable developments which may enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

F. Procurement Procedures

The recipient must follow applicable procurement and sub-grant/subaward procedures. EPA will not be a party to these transactions. For State recipients, if EPA funds are used to purchase goods or services, the State recipient agrees to comply with 2 CFR §200.317, *Procurement by states* ; 2 CFR §§1500.9-10, *General procurement standards* ; and 40 CFR Part 33, *Disadvantaged Business Enterprises* .

All other non-State recipients must comply with the procurement under grants standards of 2 CFR §§200.318 – 326, 2 CFR §§1500.9-10, and 40 CFR Part 33 including conducting procurement transactions in a manner providing full and open competition as set forth in the applicable regulations. Approval of a funding proposal does not relieve recipients of their obligations to compete service

contracts, conduct cost and price analyses and use sub-grants only for financial assistance purposes.

G. Competency of Organizations Generating Environmental Measurement Data

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements, the recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, the recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. The recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at epa.gov/fem/lab_comp.htm or a copy may also be requested by contacting the PO for this award.

H. Public or Media Events

The recipient agrees to notify the PO listed in this award document of public or media events publicizing the accomplishment of significant events related to projects resulting from this agreement and provide the opportunity for attendance and participation by federal representatives with at least fifteen working days' notice.

I. Equipment Disposition

State grant recipients must dispose of equipment purchased with Targeted Airshed Assistance Funds in accordance with state laws and procedures. Non-State grant recipients must request disposition instructions from the EPA when the original or replacement equipment acquired under this assistance agreement is no longer needed for the original project or program or for other activities currently or previously supported by an EPA assistance agreement. Disposition of the equipment will be made as follows in accordance with EPA disposition instructions:

- Items of equipment with a current per-unit fair-market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the EPA.
- Items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the recipient or sold. The EPA is entitled to an amount calculated by multiplying the current market value (or proceeds from sale) by the EPA's percentage of participation in the cost of the original purchase. If the equipment is sold, the EPA may permit the recipient to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, to cover the recipients selling and handling expenses.
- When acquiring replacement equipment, the non-Federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.
- Recipient may transfer title to the property to an eligible third party as directed by EPA. If EPA directs the recipient to transfer title of the property to a third party, then recipient is entitled to compensation for its attributable percentage of the current fair-market value of the property.
- In cases where recipient fails to take appropriate disposition actions, EPA may direct the recipient to take disposition actions.

J. Voluntary Cost-Share

This award and the resulting federal funding of **\$5,666,950** is based on estimated costs requested in the recipient's final approved workplan. Included in these costs is a voluntary cost-share contribution of **\$5,250,000** by the recipient in the form of a voluntary cost-share that the recipient included in its final approved workplan. The recipient must provide this voluntary cost-share contribution during performance of this award. While actual total costs may differ from the estimates in the recipient's application, EPA's participation shall not exceed the total amount of federal funds awarded.

If the recipient fails to provide the voluntary cost-share contribution during the period of award performance, the Agency may consider this factor in evaluating future applications from the recipient. In addition, if the voluntary cost-share contribution does not materialize during the period of award

performance then EPA may reconsider the legitimacy of the award (e.g., EPA may take action as authorized by 2 CFR Part 200 and/or 2 CFR Part 180).

K. Participant Support Costs/Rebates

Participant support costs include rebates, subsidies, stipends, or other payments to program beneficiaries. Program beneficiaries cannot be a contractor, subrecipient, or employee of recipient. Participant support costs are not subawards as defined by 2 CFR §200.92 and §200.93 and should not be treated as such. Participant support costs must be reasonable, incurred within the project period and otherwise allocable to the EPA assistance agreement.

- Recipient must abide by EPA Participant Support Cost regulation(s) and guidelines including but not limited to *Interim EPA Guidance on Participant Support Costs*:
www.epa.gov/sites/production/files/2018-09/documents/interim_guidance_on_participant_support_costs.pdf.
- Recipient must maintain source documentation regarding program support funds to ensure proper accounting of EPA funds.
- Recipient must enter into a written agreement with the program beneficiary that receives participant support costs. Such agreement should not be structured as a subaward agreement, and the administrative grant regulations under 2 CFR Part 200 and 2 CFR Part 1500, as well as EPA's general terms and conditions do not flow down to program beneficiaries receiving participant support costs. Such written agreement is also required if a subrecipient or contractor intends to issue participant support costs to a program beneficiary. The written agreement must:
 - o Describe the activities that will be supported by rebates, stipends, subsidies or other payments;
 - o Specify the amount of the rebate, subsidy, stipend, or other payment;
 - o Identify which party will have title to equipment (if any) purchased with a rebate or subsidy or other payment; and
 - o Specify any reporting required by the program beneficiary and the length of time for such reporting.
- Recipient must obtain the prior written approval from EPA's Award Official if it wants to provide participant support costs that were not described in the approved work plan and budget. If the recipient's request would result in undermining the integrity of the competition this grant or cooperative agreement was awarded under, EPA will not approve the request.
- Recipient must obtain prior written approval from EPA's Award Official if recipient wants to modify the amount approved (upwards or downwards) for participant support costs. If the recipient's request would result in undermining the integrity of the competition this grant or cooperative agreement was awarded under, EPA will not approve the request.

L. ACTIVITY-SPECIFIC AND PROJECT-SPECIFIC PROGRAMMATIC TERMS AND CONDITIONS

These Specific Programmatic Terms and Conditions apply to assistance agreements that fund replacement-only, repair, and scrappage and replacement project(s). Replacement-only and scrappage and replacement projects include any project to replace a higher-polluting vehicle, engine, equipment, device, or appliance with a cleaner, lower-polluting vehicle, engine, equipment, device or appliance (referred throughout this document as a "device"). Scrappage and replacement projects may only include scrapping a higher-polluting device and replacing a cleaner device. Replacement-only projects may only include removing a higher-polluting device from the nonattainment area as listed in the EPA approved workplan and replacing it with a cleaner device. Scrappage and replacement projects may only include scrapping a higher-polluting device and not include replacing a cleaner device. Repair projects may only include repairing a higher-polluting device and not scrapping or replacing it with a cleaner device. These devices may operate in, but are not limited to, the following applications: mobile on- and nonroad vehicles, engines or equipment, including lawn and garden equipment; or devices providing heat (i.e., woodstoves, fireplaces, heat pumps, coal or pellet stoves, etc.).

M. Mobile Onroad and Nonroad Devices

M.1. Allowable Activities and Technologies

For those assistance agreements that include scrappage and/or replacement activities for mobile-source onroad and/or nonroad devices, the recipient agrees that funds under this award will be used to repair, replace, or remove inefficient, higher-polluting devices. Consistent with the recipient's EPA-approved workplan, the recipient will repair devices to make them more efficient and less polluting or replace devices with cleaner, lower-polluting devices.

If the recipient issues a subaward or contract and the subrecipient or contractor intend to issue participant support costs to program beneficiaries for EPA-funded cleaner, lower-polluting replacement devices providing heat, the recipient must ensure that the subrecipient or contractor ensure the program beneficiaries agree not to give away or sell the EPA-funded device during the life of this project. This requirement should be clearly set forth in the written subaward agreement or contract.

The recipient agrees not to repair, replace or retrofit any device that was previously purchased with Federal funds since January 2015, regardless of the type of device and amount of emissions that may be reduced.

The recipient shall not make significant changes to the proposed activities in the EPA-approved workplan without prior written approval from EPA. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination. If activities or technology compatibility issues arise that cannot be resolved, EPA may elect to terminate the cooperative agreement, and if applicable, recover ineligible expenditures from the recipient. Any significant changes to the approved workplan that would result in undermining the integrity of the award competition will not be approved.

M.2. Fleet Expansion

The recipient agrees that funds cannot be used for the purchase of devices to expand a fleet. The inefficient, higher-polluting device must be fully operational and in service at the time of replacement. The recipient agrees that the cleaner, lower-polluting replacement device:

- a. will continue to perform a similar function and operation as the device that is being permanently rendered inoperable;
- b. will achieve the estimated emission reductions included in the EPA-approved workplan; and
- c. is consistent in its intended use, operation and location as described in the EPA-approved workplan.

M.3. Rendering Inoperable and Required Documentation

To ensure the estimated air emissions reductions included in the workplan are achieved and permanent, the recipient agrees that every higher-polluting device will be permanently removed from the recipient's respective air pollution nonattainment area(s), destroyed and rendered inoperable. Higher-polluting devices include any device removed from service under this assistance agreement that will be replaced with a cleaner device.

Under this permanent destruction process, the recipient shall take every device to an approved licensed dismantler/recycler or follow the process described in the EPA-approved workplan. Cutting a three-inch by three-inch hole in the engine block, the part of the engine containing the cylinders, is the preferred scrapping method. The recipient must deliver the higher-polluting device to the licensed dismantler/recycler within 90 days of removing the higher-polluting device from service, or as consistent with the EPA-approved workplan. Other acceptable scrappage methods, methods of removing the device from the nonattainment area(s) and required documentation may be considered but will require prior written approval from the EPA PO. The recipient shall contact the EPA PO with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination.

The recipient must provide documentation on removing each higher-polluting device from the nonattainment area(s). The recipient is responsible for retaining documentation for: 1) each higher-polluting device removed from the nonattainment area(s); and 2) each cleaner, lower-polluting replacement device as listed in the recipient's workplan. For each higher-polluting device removed from service, the recipient must take clear digital photographs of the following: 1) the engine tag showing the serial number, engine family number, and engine model year; and 2) the destroyed engine block. The recipient must also provide documentation that each higher pollution device was removed from the nonattainment area(s) within 90 days of receipt of the new device.

In accordance with 2 CFR §200.333, the recipient must retain all records, supporting documents, statistical records, and all other records pertinent to the grant award for at least three years from the date of submission of the final expenditure report; however, if any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings have been resolved and final action has been taken. In accordance with 2 CFR §200.336, EPA, the Inspector General, the Comptroller General, and the pass-through entity, or any of their authorized representatives, have the right of access to any documents, papers, or records of the recipient which are pertinent to the grant award. The rights of access are not limited to the required retention period, but last as long as the records are retained.

If the higher polluting device or its components are to be sold, the recipient must comply with the Program Income requirements above.

M.4. Location

The recipient agrees that the funded project will be located in the recipient's respective air pollution nonattainment area(s) as indicated in the recipient's workplan. The recipient agrees that the project or activity will be carried out in the nonattainment area(s) described in the recipient's workplan for the life of the project. The funded cleaner, lower-polluting device(s) may not be sold nor operate a majority of the time outside of the nonattainment area(s) for the entire life of the project.